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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/788,506	02/26/2004	David Wender	16103-105002	7427

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KING & SPALDING  
1185 AVENUE OF THE AMERICAS  
NEW YORK, NY 10036-4003

EXAMINER
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TINKLER, MURIEL S

ART UNIT	PAPER NUMBER
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3691

NOTIFICATION DATE	DELIVERY MODE
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06/10/2009

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

usptomailnyc@kslaw.com

<b>Office Action Summary</b>	<b>Application No.</b> 10/788,506	<b>Applicant(s)</b> WENDER, DAVID	
	<b>Examiner</b> MURIEL TINKLER	<b>Art Unit</b> 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 23 April 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-32 and 36-68 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-32 and 36-68 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

This application has been reviewed. The status of the claims are as follows: claims 1-35 were previously pending; claims 1, 2, 11, 18-21, 23, 25, 26 and 30 have been amended; claim 33-35 have been cancelled; claims 36-38 has been added; therefore, claims 1-32 and 36-68 are pending. The rejection(s) and objection(s) are as follows.

#### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on April 23, 2009 has been entered.

#### ***Response to Amendment***

2. The amendments entered on April 23, 2009 have been reviewed against the specification. All amendments have been accepted for review except the amendments made to claims 11, 18 and 19. The amendments to these claims consist of the following terminology: 'the option spread is at least one selected from the group consisting of'. This terminology implies that there is a group or selection process that

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lists all selections within a group and allows the user to pick from said selection. The Examiner has found no such evidence in the specification. The specification does disclose a process for determining a type of option, but there is no selection from a specific group (see the specification of this application, figure 9 and page 15 (line 17) through page 16 (line 12)). Similar issues also apply to newly added claims 47, 53 and 54.

### ***Response to Arguments***

3. Applicant's arguments, see page 25, filed April 23, 2009, with respect to claims 1, 12, 20 and 23 have been fully considered and are persuasive. The 35 USC 112, first paragraph rejection of claims 1, 12, 20 and 23 has been withdrawn. The Applicant has amended the claims to remove the problematic terminology: 'free of buy/sell indicators'.

4. Applicant's arguments, see page 26, filed April 23, 2009, with respect to claims 23 have been fully considered and are persuasive. The 35 USC 112, first paragraph rejection of claims 23 has been withdrawn. The Applicant has amended the claims to remove the problematic terminology: 'accepting a selection of' and 'providing'.

5. Applicant's arguments, see page 27, filed April 23, 2009, with respect to claims 2, 6, 8, 13, 16, 17 and 27 have been fully considered and are persuasive. The 35 USC 112, second paragraph rejection of claims 2, 6, 8, 13, 16, 17 and 27 has been withdrawn. The Applicant has amended the claims to add the clarifying terminology: 'current valuation'.

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6. Applicant's arguments filed April 23, 2009 have been fully considered but they are not persuasive. The Applicant argues: that Lange does not cover all the limitations of claim 1; and, the process steps in claims 12 and 20 are not disclosed in Lange. The Examiner disagrees. Lange discloses the limitations in claims 1 along with the process steps in claims 12 and 20 in paragraphs 783, 797 and 803.

***Claim Rejections - 35 USC § 112***

**35 USC 112, 1<sup>st</sup> paragraph**

7. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

8. Claims 11, 18, 19, 47, 53 and 54 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The amendments to these claims consist of the following terminology: 'the option spread is at least one selected from the group consisting of'. This terminology implies that there is a group or selection process that lists all selections within a group and allows the user to pick from said selection. The Examiner has found no such evidence in the specification. The specification does disclose a process for determining a type of option, but there is no selection from a

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specific group (see the specification of this application, figure 9 and page 15 (line 17) through page 16 (line 12)).

35 USC 112, 2<sup>nd</sup> paragraph

9. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

10. Claims 11, 18, 19, 47, 53 and 54 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The amendments to these claims consist of the following terminology: 'the option spread is at least one selected from the group consisting of'. This terminology implies that there is a group or selection process that lists all selections within a group and allows the user to pick from said selection. The Examiner has found no such evidence in the specification. The specification does disclose a process for determining a type of option, but there is no selection from a specific group (see the specification of this application, figure 9 and page 15 (line 17) through page 16 (line 12)). It is unclear: how this group is selected; where this group is displayed so that it may be selected; and who or what selects this group.

11. Claims 23-32 and 58-67 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Independent claims 23 and 58 disclose: displaying a set of grids on a display device, each grid representing a single optioncode

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and comprising a set of selectable boxes; receiving a selection of a sequence of boxes, each selection in the sequence comprising optioncode, a contract, a strike, and a callput. It is unclear whether the optioncode in the second limitation is the same optioncode as recited in the first limitation. The Examiner will assume that both optioncodes are the same. Appropriate correction is required: replace optioncode in the second limitation with 'the optioncode'.

12. Claims 28-30 and 63-65 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These claims discuss the process of instructing a sign change which reverses the sign of the provided quantity in the process of claims 223 and 68. This sign change does not take place for claims 23 and 58, as explicitly stated in the specification on page 14, "It should be noted that if the option count was not greater than 1 in step 508, the invention would ignore the input in step 510." The option count is not greater than zero because, as shown in claims 23 and 58: each grid represents a single option code and a set of selectable boxes; the user receives a selection of boxes comprising [the same] optioncode. Therefore, it is unclear how this sign change can take place, when it is explicitly stated in the specification that this sign change does not take place.

***Claim Rejections - 35 USC § 101***

13. 35 U.S.C. 101 reads as follows:

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Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

14. Claims 1-32 and 36-67 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

15. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

16. Here, Applicant's method steps are not tied to a particular machine and do not perform a transformation. Furthermore, the computer readable medium claims have the same issues and do not cure this deficiency. Thus, the claims are non-statutory.

17. The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.

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### ***Double Patenting***

18. Applicant is advised that should claim 20 be found allowable, claim 23 will be objected to under 37 CFR 1.75 as being a substantial duplicate thereof. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k). Claim 23 is a substantial duplicate of claim 20. Specifically, claim 20 covers all of the elements recited in claim 23.

### ***Claim Rejections - 35 USC § 102***

19. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

20. Claims 1-32 and 36-68 are rejected under 35 U.S.C. 102(b) as being anticipated by Lange (US 2002/0147670), hereafter referred to as Lange.

21. Regarding claims 1, 11, 12, 19, 20, 23, 36, 46, 47, 54, 55 and 58, Lange discloses: offering a digital option spread in paragraph 797; that option selling is common place and well known in the art in paragraph 803; determining the type of

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option spread based on comparing a first option spread to a second option spread (that defines a combination of buy/sell indicators) in paragraph 783; the use of computer program code in paragraph 319 and 320.

22. Regarding claims 2, 13, 37 and 48, Lange discloses the calculation of an option spread in paragraph 806.

23. Regarding claims 3, 14, 38 and 49, Lange discloses naming an option spread (binary/digital options) in paragraph 33.

24. Regarding claims 4, 5, 15, 25, 39, 40, 50 and 60, Lange discloses the use of sensitivity analysis calculations in paragraph 745 and 866.

25. Regarding claims 6, 16, 41 and 51, Lange discloses the act of displaying the price and name in figure 2 (elements 100, 160, 170, 190 and 200).

26. Regarding claims 7-9, 17, 42-44 and 52, Lange discloses sending information to the display device in figure 6.

27. Regarding claim 10, 18, 45 and 53, Lange discloses an input device in figure 2 (element 240).

28. Regarding claims 21, 26, 56 and 61, Lange discloses a display with an x and y axis in figure 6 (element 503).

29. Regarding claims 22 and 57, Lange discloses: the use of real-time in paragraph 44 and varying time periods in paragraph 110; and, the use of software in paragraphs 748, 817 and 996.

30. Regarding claims 24 and 59, Lange discloses the act of receiving a positive or negative change in quantity in paragraphs 623 and 758.

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31. Regarding claims 27 and 62, Lange discloses saving an option spread to a watch list (HTML interface) in figure 6.

32. Regarding claims 28-30 and 63-65, see the rejection of claim 23 above. More specifically, these claims discuss the process of instructing a sign change which reverses the sign of the provided quantity in the process of claims 223 and 68. This sign change does not take place for claims 23 and 58, as explicitly stated in the specification on page 14, "It should be noted that if the option count was not greater than 1 in step 508, the invention would ignore the input in step 510." The option count is not greater than zero because, as shown in claims 23 and 58: each grid represents a single option code and a set of selectable boxes; the user receives a selection of boxes comprising [the same] optioncode.

33. Regarding claims 31, 32, 66 and 67, Lange discloses that market based hedging is well known in the art in paragraph 11 and the use of hedging with respect to stock price in paragraph 216.

34. Regarding claim 68, Lange discloses: a computer system (figure 1); a processor (paragraph 71); computer readable medium according to claim 68 (see the rejection of claim 58 above); and, the processor configured to execute program code stored on said computer readable medium (see paragraph 71).

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MURIEL TINKLER whose telephone number is (571)272-7976. The examiner can normally be reached on Monday through Friday from 6:30 AM until 3 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. T./  
Examiner, Art Unit 3691

/Hani M. Kazimi/  
Primary Examiner, Art Unit 3691

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